

imports from within the group were, in 1965, still about one quarter of the total compared with above 40 p.c. in EEC. British imports, however, grew more slowly than the European or EFTA average, gaining barely a sixth from 1955 to 1962, while the upsurge that followed was stopped by the restrictions of October 1964 and later. On the other hand, Scandinavian trade kept up with the European average, showing particularly strong growth in intra-Scandinavian exchanges. Meanwhile, Austria, Switzerland and Portugal together more than tripled purchases and the remaining West European countries as a group kept the average pace.

Eastern Europe's imports rose more quickly than those of Western Europe in earlier years although the initial level in 1953 was relatively small. The prime force at that time was internal trade within the Communist bloc. Although over-all trade growth has since slowed there has been renewed commercial contact with outside countries, in contrast to the intensification of internal exchange occurring in the west of the Continent. Eastern Europe's share of world purchases rose over the whole period from less than 10 p.c. to more than 11 p.c.

The United States remained the largest single import market by nearly doubling purchases in the dozen years after 1953. However, with faster growth elsewhere, their relative importance diminished appreciably from 13 p.c. to 11 p.c. of world imports. Similarly, Canada increased purchases about 85 p.c. but its share of the world market declined from 5.1 p.c. to 4.1 p.c.

Japan, of course, has had a spectacular, more than threefold rise in imports since 1953 and in 1965 provided 4.2 p.c. of the world market, having surpassed Canada in 1962. Moreover, Australia, New Zealand and South Africa were able to achieve healthier economic conditions and more satisfactory rates of growth than most other primary producers, particularly since 1962. Their total imports better than doubled in the 12 years to 1965, restricting the diminution in their share of world imports from 3.8 p.c. to 3.5 p.c.

The Middle East oil-producers, with dramatic growth in export earnings, increased their purchases fourfold from a narrow original position and in 1966 bought 1.2 p.c. of the world's imports. Imports by the other less-developed countries of Africa, Asia and Latin America increased much less than the world average, despite their sharply increased need for imported supplies to speed the pace of economic development. Imports of this large group expanded by three quarters from 1953 to 1965 but, as a share of world imports, fell from 26 p.c. to 20 p.c. Following the boom up to 1957, the rate of expansion of developing countries and their purchases abroad slackened and, as a consequence, imports by these countries have formed a steadily shrinking part of world imports.

Asia and Africa fared slightly better than Latin America in the past decade, even when the oil countries are excluded. Although the share of Asia and Africa in world imports declined to 15 p.c., their growth by half since 1956 compares favourably with the one-fifth addition to imports in Latin America which are now under 5 p.c. of the world market. Decolonization in the former regions brought some political problems but this general stagnation obviously reflects the lack of growth in export earnings and the acute shortage of development funds.

### Commodity Trade Trends\*

Over the past decade or so, manufactured goods, especially end-products, formed the most dynamic component of international trade. The reduction of tariffs had a much stronger impact on trade in finished goods which were more highly protected than industrial materials. Meanwhile, trade in agricultural products remained shackled by a maze of tariff and other barriers devised to protect local farmers. Moreover, actual world demand for finished goods increased more rapidly than other sectors because of greater elasticity in rela-

\* International trade data are compiled according to the Standard Industrial Trade Classification (SITC) which differs somewhat from the Canadian commodity classification. For example, lumber, pulp and synthetic rubber are considered crude materials in SITC whereas in the Canadian classification they are considered fabricated materials; SITC combines crude and processed "energy materials" into a separate group, whereas in Canadian data they remain with other materials.